

Abstract of the Disclosure

In encoder side, an electronic watermark generating device generates an electronic watermark which contains a encryption key. An electronic watermark inserting device inserts the electronic watermark containing the encryption key into a first portion of data. An encrypting device encrypts a second portion of the data with the encryption key. The first portion into which the watermark containing the encryption key has been inserted and the second portion which has been encrypted with the encryption key are combined by a switch and thereafter recorded on a record medium or transmitted to a network. In decoder side, the watermark containing the encryption key is extracted from the first portion and the encryption key is extracted from the watermark. The second portion is decrypted with the extracted encryption key.